TERM

July 1, 2015 - September 30, 2018

WAGES

- 3% general wage increase effective Fiscal Year 2015-2016. Effective June 21, 2015, all salary ranges for employees holding positions in classifications assigned to OE#3 shall be increased by approximately 3%.
 - In recognition of this three (3) year Memorandum of Agreement (MOA) being reached prior to the adoption of the Fiscal Year 2015-2016 budget, thus providing both the City and employees budget and labor stability for the next three (3) Fiscal Years, a one-time lump sum non-pensionable payment equivalent to approximately 1% of an employee's base pay as of June 20, 2015, shall be made to full-time employees holding positions in classifications assigned to OE#3 within two (2) full pay periods following ratification by the membership of OE#3 and approval by City Council. To receive the one-time lump sum non-pensionable payment, a full-time employee must be continuously employed in an OE#3 represented position from June 20, 2015, to the date when the payment is made. This one-time lump sum non-pensionable payment shall be made separately from an employee's regular pay.
- 3% general wage increase effective Fiscal Year 2016-2017. Effective June 19, 2016, all salary ranges for employees holding positions in classifications assigned to OE#3 shall be increased by approximately 3%.
- 3% general wage increase effective Fiscal Year 2017-2018. Effective the first pay period of Fiscal Year 2017-2018, all salary ranges for employees holding positions in classifications assigned to OE#3 shall be increased by approximately 3%.
 - In recognition of extending the term of this agreement to September 30, 2018, and moving off the Fiscal Year (July to June) cycle, a one-time lump sum non-pensionable payment equivalent to approximately 0.75% of an employee's base pay as of the final pay period of Fiscal Year 2017-2018 shall be made to full-time employees holding positions in classifications assigned to OE#3 on the paycheck corresponding to the first pay period of Fiscal Year 2018-2019. To receive the one-time lump sum non-pensionable payment, a full-time employee must have been employed in an OE#3 represented position on July 1, 2017, and still employed in an OE#3 represented position when the one-time lump sum non-pensionable payment is made. This 0.75% lump sum is in recognition of the fact that employees have deferred any ongoing wage increases for a period of three months and will be considered as part of any wage increases that may be negotiated for Fiscal Year 2018-2019. This one-time lump sum non-pensionable payment shall be made separately from an employee's regular pay.
- In the event that the City reaches an agreement with any other non-sworn employee unit during the term of the Memorandum of Agreement with OE#3, and such agreement with any other non-sworn employee unit includes an aggregate general wage increase or lump-sum one-time payment on a bargaining unit wide basis greater than those negotiated herein, this Agreement will reopen on the subject of wages only, and the parties will meet and confer over wages. This provision will not apply to any changes made to any classification(s) due to a market survey or classification study, any leave payout or any settlement of a grievance or other administrative proceeding.

PAYS

- Standby Pay See attached
- Uniform Allowance See Attached
- Protective Footwear See Attached
- Protective Prescription Safety Glasses See Attached

VACATION LEAVE

Vacation Accrual – See attached

SICK LEAVE - ELIGIBILITY FOR USE

- Eligibility for Use of Sick Leave See attached Tentative Agreement dated June 5, 2015
- Sick Leave for Part-Time Employees See attached Tentative Agreement dated June 5, 2015
- Medical Verification See attached (as proposed by City on May 26, 2015)

HEALTH BENEFITS

Health / Dental in Lieu – See attached

EDUCATION REIMBURSEMENT

Tuition Reimbursement Program – See attached

GRIEVANCE PROCEDURE

Step I – See attached (as proposed by Union on May 20, 2015)

SCHEDULE

- Part-Time Employees See attached (as proposed by Union on June 3, 2015)
- Schedule Change See attached

DUES DEDUCTION

· Report to Union - See attached

HOUSEKEEPING

See attached Tentative Agreement dated June 5, 2015

SIDE LETTER AGREEMENTS

Classification Review – See Attached

The following side letters will continue:

- Retiree Healthcare Stakeholder Solutions Working Group and Negotiations See attached
- Employee Commute Benefit See attached

REOPENERS

- Retirement issues See attached
- · Changes to healthcare See Attached
- * This agreement is considered tentative and shall not be considered final or binding until ratified by union members and approved by the City Council. This document sets forth the full agreements of the parties reached during these negotiations. Anything not included in this document is not part of the Tentative Agreement.

FOR THE CITY:

FOR THE EMPLOYEE ORGANIZATION:

Jennifer Schembri

Interim Director of Employee Relations

Date

6/12/13

Mary Blanco, Business Representative

Operating Engineers, Local 3 (OE#3)

Date

Marco Mercado, Asst. to the City Manager Joh Max Reger, Team Member Office of Employee Relations Operating Engineers, Local 3 Date Teresa Harris, Team Member Joanna De Sa, Deputy Director **Environmental Services Department** Operating Engineers, Local 3 6-11-15 6/11/15 Date Gary Roberts, Team Member Date Executive Analyst Office of Employee Relations Operating Engineers, Local 3 Date Robert Peña, Team Member Operating Engineers, Local 3

CITY PROPOSAL - STANDBY PAY

City Proposed Language:

ARTICLE 5 WAGES AND SPECIAL PAY

- 5.9 <u>Standby Pay.</u> Employees who are required to perform standby duty shall be credited with one (1) hour compensation at the appropriate rate (1.5) for each eight (8) hour shift the employee performs standby duty. In the event that the employee is called back to work, they shall be entitled to the compensation provided by Section 5.8 above, in lieu efaddition to the one-hour of standby compensation for that eight (8) hour shift.
 - 5.9.1 Standby pay is not deemed as actual hours worked for the purpose of calculating eligibility for overtime.

UNION PROPOSAL – UNIFORM ALLOWANCE

City Counterproposal

ARTICLE 5 WAGES AND SPECIAL PAY

5.2 <u>Uniform Allowance.</u>

- 5.2.1 An annual Uniform Allowance not to exceed \$600800.00 shall accrue for eligible employees regularly assigned to the classifications listed below, provided that such eligible employees are required, in the performance of the assigned duties of such classifications, to wear an approved uniform.
 - 2423 Park Ranger
 - 2424 Park Ranger (Part-Time)
 - 2451 Parking & Traffic Control Officer
 - 2452 Parking & Traffic Control Officer (Part-Time)
 - 2453 Senior Parking & Traffic Control Officer
- 5.2.2 In the event an eligible full-time employee assigned to a 40-hour week is paid for less than 2,000 hours during the 26 full pay periods immediately preceding December 31st, such employee shall be paid that proportion of the allowance which the total number of hours for which the employee was paid in the above period bears to 2,000.
- 5.2.3 Eligible part-time employees in the above listed classifications shall receive that proportion of the allowance which the total number of hours paid during the 26 full pay periods immediately preceding December 31st bears to 2,000.
- 5.2.4 <u>For calendar year 2015, The the Uniform Allowance referred to herein</u> shall be paid as soon after December 31st of each calendar year 2015 as practical.
- 5.2.5 Effective December 20, 2015, payment shall be made during the first two
 (2) pay periods of each month, in the amount of \$33.33 per biweekly pay
 period. If an eligible employee is on unpaid leave or unpaid status for a
 period of one (1) full pay period or more, the employee will not receive the
 uniform allowance for that pay period(s). Effective December 20, 2015,
 this section shall supersede Sections 5.2.2, 5.2.3 and 5.2.4 above.

CITY PROPOSAL - PROTECTIVE CLOTHING

City Proposed Language:

ARTICLE 5 WAGES AND SPECIAL PAY

5.14 Protective Clothing.

5.14.1. The City agrees to reimburse eligible employees provide a voucher for the purchase of protective footwear for up to \$150-200 for full-time employees when it is determined by the Director of Human Resources or designee that protective footwear is required for the full-time-employee. Protective footwear shall meet established Occupational Safety and Health Administration's (OSHA) standards, current American National Standard for Personal Protection- Protective Footwear standards and requirements as determined by the City Safety Officer or designee. The City will replace protective footwear as needed, but no more than once per calendar year. An individual may select an approved style that is more expensive than the City maximum by paying the difference. Employees in classifications who are entitled to receive a uniform allowance as provided in Article 5.2 above are not eligible to receive reimbursement for protective footwear under this provision.

CITY PROPOSAL - PROTECTIVE CLOTHING

City Proposed Language:

ARTICLE 5 WAGES AND SPECIAL PAY

5.20 Protective Prescription Safety Glasses. The City agrees to reimburse eligible employees who require the use of prescription lenses and are in positions that require the use of protective safety glasses for the purchase of protective prescription safety glasses for up to \$150200.00 for full-time employees when it is determined by the Director of Human Resources, or designee, that protective prescription safety glasses are required. The City will replace protective prescription safety glasses as needed, but no more than once per calendar year. An individual may select an approved style that is more expensive than the City maximum by paying the difference.

CITY PROPOSAL - VACATION

City Proposed Language:

ARTICLE 17 VACATIONS AND PERSONAL LEAVE

- 17.1 Each eligible full-time employee shall be granted vacation leave with pay in accordance with the following:
 - 17.1.1 <u>Vacation Accrual.</u> Employees shall accrue a leave of absence with full pay for vacation purposes, in the amount specified below for each cycle of 26 full biweekly pay periods December 31st, or portion thereof, in each year of employment as specified.

Years of Service	Hours of Vacation Per 26 Pay Period Cycl		
First 5 years	80 hours		
6th - 10th year	120 hours		
11th - 12th year	136 hours		
13th - 14th year	152 hours		
15th <u>- 24th</u> year-or more	168 hours		
25th year or more	188 hours		

-TENTATIVE AGREEMENT24 5/26/15.

2015 CITY OF SAN JOSE - OE#3 NEGOTIATIONS

CITY PROPOSAL - ELIGIBILITY FOR USE OF SICK LEAVE

City's Proposed Language:

ARTICLE 18 SICK LEAVE

18.1.2 Accrued sick leave may be utilized if the employee is required to be absent from work on account of non-job related illness or injury; routine medical or dental appointments, illness in the immediate family as defined herein; or absence of an eligible female employee due to illness, injury or disability related to pregnancy or child-birth. Immediate family shall be limited to the eligible employee's mother, father, spouse, child or domestic partner registered with the Human Resources Department. Up to 48 hours of accrued sick leave per calendar year may be utilized if the employee is required to be absent for the care related to the illness or injury of the employee's grandparent, grandchild, brother, sister, father-in-law, mother-in-law, stepfather, stepmother, or stepchild.

This agreement is considered tentative and shall not be considered final or binding until a final agreement or all terms has been reached and both ratified by union members and approved by the City Council.

For city:

For OE#3

Marco Mercado OER City of San Jose
May 26, 2015
Page 1 of 1

Hay Blanco/OE#3

2015 CITY OF SAN JOSE - @E#3 NEGOTIATIONS

Star 15 450

- TENTATIVE AGREEMENT -

CITY PROPOSAL - SICK LEAVE FOR PART-TIME EMPLOYEES

City's Proposed Language:

ARTICLE 22 SUPPLEMENTAL BENEFITS FOR PART-TIME EMPLOYEES

- 22:3 Sick Leave With Pay. During the term of this Agreement, sick leave with pay shall be granted to eligible-part-time employees in the amount of 0.04616 hours of sick leave for each hour worked, exclusive of overtime, and shall be subject to the same restrictions, conditions and limitations as are applicable to paid sick leave for full-time employees.
 - 22.3.1 Any such part-time employee shall be entitled to paid sick leave only for those days and number of hours the employee is in fact assigned to work or would have been required to work, notwithstanding the designation, scheduling and indefinite assignment made pursuant to this Article.
 - 22.3.2 No eligible part-time employee shall be entitled to sick leave with pay for any day or portion of a day during which the employee is absent, if in fact, the employee is not assigned to work or would not have been required to work on that day or portion of that day, notwithstanding the designation, scheduling and indefinite assignment made pursuant to this Article.

AB1522

* This agreement is considered tentative and shall not be considered final and shall not be considered final of binding until a final agreement on all terms has been reached and both ratified by union and both ratified by union members and approved by by bundl.

FOR CITY

6-5-15

MARIO MERCAJO OER

City of San Jose May 26, 2015 Page 1 of 1

MARY BUNDO / DER

CITY PROPOSAL - MEDICAL VERIFICATION

City's Proposed Language:

ARTICLE 18 SICK LEAVE

18.1.5 Any time Aan employee is required to report to work and is unable to report due to illness or injury, an employee may be required to furnish medical verification or other substantiation for any such absence, for which sick leave payment is requested.

CITY PROPOSAL - BENEFITS

City's Proposed Language:

ARTICLE 5 WAGES AND SPECIAL PAY

- 5.7 Payment-in-lieu of Health and/or Dental Insurance Program. The purpose of the payment-in-lieu of health and/or dental insurance program is to allow employees who have double health and/or dental insurance coverage to drop the City's insurance and receive a payment-in-lieu. Effective January 1, 2016, payment-in-lieu of health and/or dental insurance will have a 4-tier structure (Employee, Employee plus Spouse/Domestic Partner, Employee plus Child(ren) and Family). The payment-in-lieu amounts will be adjusted effective the first pay period in the payroll calendar year 2016, which starts December 20, 2015.
 - 5.7.1 Effective pay date July 1, 2011, employees who qualify for and participate in the payment in-lieu of health and/or dental insurance program will receive the following per-pay period:

Employees who qualify for and participate in the payment-in-lieu health and/or dental insurance program will receive the following per pay period:

*	Health in-lieu	Dental in-lieu
If eligible for family coverage	\$221.84	\$19.95
If NOT eligible for family coverage	\$89.09	\$19.95

Health Insurance Tier	Health-in-Lieu	Dental-in-Lieu
Employee	\$89.09	<u>\$6.65</u>
Employee plus spouse/domestic partner	\$147.87	\$13.30
Employee plus Child(ren)	\$129.39	\$11.64
<u>Family</u>	<u>\$221.84</u>	<u>\$19.95</u>

A City employee who receives healtheare and/or dental coverage as a dependent of another City employee or retiree shall be deemed not eligible for family coverage eligible for the employee only coverage for the payment-in-lieu of health and/or dental program.

CITY PROPOSAL - EDUCATION REIMBURSEMENT

City Proposed Language:

ARTICLE 5 WAGES AND SPECIAL PAY

- 5.12 <u>Career Development</u>. The City is committed to assisting employees with career growth and development and agrees to the following:
 - 5.12.1 Tuition Reimbursement Program. The City will reimburse each employee 100% of expenses incurred, up to \$750.00-\$1000.00 per fiscal year, for registration, tuition and textbooks for college accredited courses which are either related to or beneficial for the employee's current position or related to or beneficial for a lateral transfer, promotion or other career opportunity within the City service. Section 4.3.1 of the City Policy Manual outlines additional details of the program. Of the \$750.00 \$1000.00, up to \$500.00 \$600.00 may be used for non-college accredited courses, workshops, membership dues in professional associations, professional licenses, and professional certificates as approved by the Department Director or designee.

UNION PROPOSAL - GRIEVANCE PROCEDURE

As proposed by Union on May 20, 2015

ARTICLE 12 GRIEVANCE PROCEDURE

12.4 Step I.

12.4.2 The grievance must be presented within ten (10) workingtwenty-one (21) calendar days following the event or events on which the grievance is based. The immediate supervisor shall make whatever investigation necessary to obtain the facts pertaining to the grievance. Within five (5) working days after receiving the oral grievance, the immediate supervisor shall give the employee an oral reply.

UNION PROPOSAL - PART TIME EMPLOYEES

As proposed by Union on June 3, 2015

ARTICLE 12 HOURS OF WORK AND OVERTIME

- 6.5 The Department Director, or designee, subject to regulation and control by the City Manager, shall determine the number of hours of work per workday and workweek for part-time employees. Such employees, however, shall not be required to work a normal work schedule except on an intermittent basis.
 - 6.5.1 Part-time employees are only eligible for overtime pay if the employee works over 40 hours in one week.
 - 6.5.2 If a part-time employee is scheduled and reports to work for a shift which is then cancelled, the employee shall, at the City's discretion, either work a minimum of two (2) hours or be credited with two (2) hours work at the employee's straight time pay rate. If the employee is notified prior to the start of the shift that the shift is canceled, the employee is not entitled to the two (2)-hour minimum.

UNION PROPOSAL - SCHEDULE CHANGE

City Counterproposal:

ARTICLE 6 HOURS OF WORK AND OVERTIME

- 6.3.1 It is understood and agreed that specific employees may be assigned a different work schedule as a result of a transfer, promotion, shift rotation, or other changes made pursuant to this agreement or applicable ordinances or resolutions. Employees who work alternating shifts, i.e. swing shift, graveyard shift, weekends, may request review of the methodology and procedures to assign employees to particular shifts. The request for review will be made through the union, to the employee's department and to the Office of Employee Relations. The department and Office of Employee Relations will arrange and participate in meetings with the union for the purpose of discussing changes that will meet the operational needs of the City and the needs of the employee.
- 6.3.2 When an employee's work schedule is changed involuntarily, the employee will be given fourteen (14) calendar days advance notice prior to the implementation of the revised schedule except when there are extenuating circumstances as determined by the City. This provision does not apply to any schedule changes that may result as part of the Return-to-Work or accommodation process, or compliance with this agreement. Nothing in this provision shall preclude an employee from agreeing to begin the revised schedule in less than fourteen (14) calendar days.

UNION PROPOSAL - REPORT TO UNION

City Counterproposal:

ARTICLE 7 DUES DEDUCTION

7.8 The City shall provide at no charge to the Union, a monthly printout listing bargaining unit employees by department and position, worksite location (to the extent possible), full-time equivalency, and employee address. The City shall also provide at no charge to the Union, a monthly printout listing employees who have experienced a change in active employment status. The Union agrees that such information will be treated in a confidential manner.

6/3/15

TENTATIVE AGREEMENT -

CITY PROPOSAL - HOUSEKEEPING - DISABILITY

10.00

City Proposed Language:

ARTICLE 17 VACATIONS AND PERSONAL LEAVE

- 17.3 Computation of Vacation Leave.
 - 17.3.1 For purposes of this Article, paid leave of absence from duty by reason of sick leave, holiday leave, vacation leave, disability-leave, compensatory time off, or any other paid leave, shall be deemed to be "time worked."

ARTICLE 18 SICK LEAVE

- 18.1 Each full-time employee shall be entitled to sick leave with pay in accordance with the following provisions:
 - 18.1.1 Sick leave shall accrue in an amount equal to the number of hours worked, excluding overtime, multiplied by a factor of 0.04616. Only paid leave for holidays, vacation, disability, compensatory time off, or other paid leave shall be considered as time worked for purposes of this section.

ARTICLE 19 DISABILITY LEAVE

MARCO MERCADO/ DER

- 19.1 <u>Disability Leave Supplement (DLS).</u> Disability Leave Supplement (DLS) was the benefit provided pursuant to this Article, which, when added to Worker's Compensation Temporary Disability (WCTD), resulted in providing employees 85% of their regular base salary. Effective April 27, 2014, employees shall were no longer be eligible to receive DLS.
- Termination of Disability Leave. An employee who is unable to return to full time regular duty following the expiration of any and all leave (and the integration of Sick Leave as provided for in Article 18.1.2.3) including the integration of accrued vacation, compensatory time, and sick leave as provided in Article 19.3, with Workers' Compensation may be considered to have voluntarily separated from employment.
- 19.3 <u>Integration.</u> Effective April 27, 2014, the integration of an employee's available leave will occur in the following order: (1) accrued Vacation hours, (2) earned Compensatory Time once Vacation has been exhausted, and (3) accrued Sick Leave once Vacation and Compensatory Time have both been exhausted.
 - In no event shall an employee receive an amount, including any Workers' Compensation Temporary Disability payments, in excess of the employee's regular base salary.

	regular base sala	1 y .			•
 * This agre final or reached FOR CIM:	binding uni and both ro	onsidered fent of a final ast askfiel by un	fative and ement on on member DEA	us and app	be considered has been roped by loundy.
MOM	6-5-15	City of San Jose June 3, 2015 Page 1 of 1	Han F	Slens	

SIDE LETTER AGREEMENT

BETWEEN

THE CITY OF SAN JOSE

AND

THE INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL NO. 3 (OE#3)

Classification Review

The City agrees that that by December 31, 2016, it will review the following classifications subject to the Human Resources Department determining that the following classifications meet the criteria for a salary or compensation review: Mechanic (3323) and Senior Mechanic (3322), and that its review may include, but not be limited to, classification structure and/or compensation.

The City will also review the previously existing classification of Parking Meter Technician, including whether this previous classification should be revived.

Following this review, the City agrees to meet with OE#3 to discuss the results of this review. This meeting shall not be considered meeting and conferring and the agreement to hold this meeting shall not be construed as an agreement to change anything related to classification structure and applicable benefits for classifications represented by OE#3.

This Agreement is tentative and shall become effective only as part of the overall agreement on, and only during the term of, any agreement reached between the City and the Union.

FOR THE CITY:

FOR THE EMPLOYEE ORGANIZATION:

Marco Mercado

Assistant to the City Manager, OER

Mary Blanco

Business Representative, OE#3

Date

Side Letter Agreement

RETIREE HEALTHCARE STAKEHOLDER SOLUTIONS WORKING GROUP AND NEGOTIATIONS

PURPOSE

The parties recognize the importance of funding the current retiree healthcare benefit, and since 2009, have been increasing contributions into the plan in order to begin paying the full Annual Required Contribution to ensure funding of the retiree healthcare benefit.

Neither the City nor the bargaining units have committed to close the plan. However, new employees will not enter the existing retiree healthcare plan. Since current employees share in paying the unfunded liabilities of the current retiree healthcare benefit, new employees who are not in the current plan would not be making those payments. The City has agreed to make the contributions towards the unfunded liabilities that those new employees would have paid had they been in the current plan. The City has agreed to do so in order to allow time for long-term solutions to be developed by a Retiree Healthcare Solutions Working Group ("Working Group") and negotiations.

The goal of the Working Group shall be to develop options that lead to long-term solutions to the retiree healthcare issue.

The City and the Coalition¹ have agreed to immediately continue working on solutions to retiree healthcare both through the Working Group and subsequent negotiations. The parties are committed to working collaboratively towards long-term solutions and have agreed to remain open to considering various options. The options considered will include, but are not limited to, the following:

- Using high-deductible healthcare plans in combination with individual health savings accounts;
- Limitations on the current retiree healthcare benefit in combination with individual health savings accounts;
- · Tiered healthcare benefit structures based on length of employment;
- Modification of eligibility requirements;
- Health plan design and rate structure changes;
- · Incentives for employees to work beyond normal retirement eligibility; and
- The inclusion or exclusion of new employees in any modifications, or the formation of a completely different plan for new employees.

¹ The San Jose Federated Labor Coalition consists of the following nine (9) bargaining units: Association of Building, Mechanical, and Electrical Inspectors (ABMEI), Association of Engineers and Architects (AEA), Association of Legal Professionals (ALP), Association of Maintenance Supervisory Personnel (AMSP), City Association of Management Personnel (CAMP), Confidential Employees' Organization (CEO), International Brotherhood of Electrical Workers (IBEW), Municipal Employees' Federation (MEF) and International Union of Operating Engineers, Local #3 (OE#3).

RETIREE HEALTHCARE STAKEHOLDER SOLUTIONS WORKING GROUP

Facilitator:

By August 1, 2013, the City and the Coalition members will mutually agree on an independent person or entity that is knowledgeable in the area of retiree healthcare benefits to facilitate the Working Group.

The facilitator will facilitate the discussions, provide information to the parties, and generally assist in the development of options for long-term solutions. Upon the mutual agreement of the City and Coalition members, other subject matter experts may be engaged to assist in analyzing possible solutions.

The costs of the facilitator and any subject matter experts will be shared equally between the City and the Coalition members.

Participation:

In addition to the City and a representative from each bargaining unit in the Coalition, members of the Working Committee will include a representative of the retirees, and any unrepresented employee group(s).

Meetings:

The City and the Coalition will jointly schedule Working Group sessions in coordination with the facilitator. More frequent and longer Working Group sessions will be scheduled in the early stages of the process. The Working Group sessions will be open to employees and the public.

TIMELINE FOR RETIREE HEALTHCARE SOLUTIONS WORKING GROUP AND NEGOTIATIONS:

The Working Group shall agree upon a facilitator no later than August 1, 2013. The time period to schedule Working Group sessions will be from August 1, 2013, and conclude no later than December 31, 2013, unless the parties mutually agree to extend the timeframe. The City and the Coalition agree that this process will not supplant the meet and confer process regarding retiree healthcare.

Negotiations between the City and the bargaining units shall commence within 14 days upon notice of either party, but no earlier than January 1, 2014. The City and the bargaining units shall negotiate in good faith in an effort to reach a mutual agreement. Applicable impasse dispute resolution procedures shall apply. The parties intend to meet and confer through coalition bargaining. However, all parties reserve their respective rights to withdraw from coalition bargaining. In such an event, the City and any bargaining unit that withdraws from the Coalition will bargain separately.

This Side Letter Agreement is considered part of the tentative agreement on retiree healthcare with the bargaining units and shall become effective only as part of the overall retiree healthcare agreement. Each bargaining unit conducts separate ratification processes, and this Side Letter Agreement shall be effective for those bargaining units who ratify the overall tentative agreement on retiree healthcare and only during the term of those agreements with each respective bargaining unit.

only during the term o	t those agreements	s with each respective bargaining unit.	0
FOR THE CITY:		FOR THE UNION:	•
Alex Gurza Deputy City Manager	6-11-13 Date	Yolanda C. Cruz Yolanda Cruz President MEF, AFSCME Local 101	(a/10/13 Date
BUNDOU Jennifer Schembri Deputy Director of Employe	Date Date de Relations	Charles Allen Business Agent AFSCME, Local 101	6/10/13 Date
Cheryl Parkman Executive Analyst	6/11/B Date	FOR THE UNION:	
Office of Employee Relation	IS	LaVerne Washington President CEO, AFSCME Local 101	//b//Z Date
*		Charles Allen Business Agent AFSCME, Local 101	6/10/13 Date
		Bill Pope Business Representative Operating Engineers, Local 3	Date
		Vera Todorov President ALP	6 13 13 Date
		FOR THE JUNION:	

Peter Fenerin President ABMEI

FOR THE UNION:	
(Dianna / Butilis	6/10/13
John Mukhar President	Date
AEA, IFPTE Local 21	
Michael Seville Acting Senior Representative IFPTE, Local 101	6/10/13 Date
Dale Dapp President AMSP, IFPTE Local 21	6/10/201 Date
Michael Seville Acting Senior Representative IFPTE, Local 101	6/10/13 Date
FOR THE UNION: Matt Farrell President CAMP, IFPTE Local 21	6/10/2413 Date
Michael Seville / Acting Senior Representative IFPTE, Local 101	Date
Frank Crusco Chief Steward IBEW, Local 332	را - را - را . Date
Dan Rodriguez Business Representative IBEW, Local 332	6/10/13 Date

Side Letter Agreement

BETWEEN

THE CITY OF SAN JOSE

AND

THE INTERNATIONAL UNION OF OPERATING ENGINEERS (OE#3), LOCAL NO. 3

EMPLOYEE COMMUTE BENEFIT PILOT PROGRAM

The City and the International Union of Operating Engineers (OE#3), Local No. 3 ("Union") agree to an Employee Commute Benefit Pilot Program ("Pilot Program").

The Pilot Program shall be as follows:

- Full-time, and part-time employees who worked an average of twenty (20) or more hours per week within the previous calendar month, shall be eligible to participate in the Pilot Program. Seasonal workers and Airport employees are not eligible to participate in the Pilot Program; the Airport provides its own separate employee commute program.
- Participation in the Santa Clara Valley Transit Authority ("VTA") Eco Pass Program will be available to eligible employees, subject to the terms of the Pilot Program, effective October 1, 2014, through December 31, 2015. The distribution of the Eco Pass cards shall start at the beginning of October, 2014.
- Pursuant to the Pilot Program, eligible employees shall be allowed to use pre-tax dollars ("Pre-Tax Payroll Deduction Program") to pay for transit service beyond those provided by VTA. The administrative fees of the Pre-Tax Payroll Deduction Program will be paid for by the City during the term of the Pilot Program.
 - The Pre-Tax Payroll Deduction Program shall enable employees to use pre-tax dollars to pay for non-VTA transit services, which may include, but are not limited to, Caltrain, the Hwy 17 Express Bus, and BART.
 - The Pre-Tax Payroll Deduction Program shall be effective January 1, 2015, through December 31, 2015, pending City Council approval of the contract for a Flexible Spending Account.
- It is understood by all parties that the Pilot Program has a term of October 1, 2014, through December 31, 2015.

This Side Letter shall become effective when signed by all parties below, and the Pilot Program shall become effective on October 1, 2014, and expire on December 31, 2015. Prior to October 1, 2015, the City and OE#3 will discuss and evaluate the Commuter

Side Letter – Employee Commute Benefit Pilot Program September 24, 2014 Page 2 of 2

Benefit Program (for example the utilization of the program). Through that discussion, the City and OE#3 will discuss the Commuter Benefit Program for 2016.

FOR THE CITY:

9=30-14

Alex Gurza

Deputy City Manager

Date

FOR THE UNION:

Mary Blanco

Business Representative Operating Engineers, Local No. 3

Jennifer Schembri

Date

Deputy Director of Employee Relations

SIDE LETTER AGREEMENT BETWEEN

THE CITY OF SAN JOSE

AND '

THE INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL NO. 3 (OE#3)

Retirement (Pension and Retiree Healthcare) Reopener

The City of San Jose (City) and the International Union of Operating Engineers, Local No. 3 (OE#3), agree to continue settlement discussions over retirement issues (pension and retiree healthcare), including additional retirement contributions.

In the event that the multi-party discussions regarding retirement issues (pension, retiree healthcare and additional retirement contributions) related to Measure B Settlement Negotiations are discontinued during the term of the successor Memorandum of Agreement (MOA) between the City and OE#3, either party may provide notice to the other of its request to commence settlement discussions on a bilateral basis. The parties shall commence the discussions within ten (10) calendar days after the City or OE#3 receive notice from the other.

In the event that the City desires to seek further amendment to the City Charter to (1) increase the maximum benefits under Tier Two, (2) revise the definition of disability, or (3) allow returning Tier One employees to re-enter the retirement system as Tier One, the City shall give notice to OE#3 and the parties shall commence the meet and confer within ten (10) calendar days after the City gives such notice.

Nothing in this section shall be construed to waive any rights either party may have with regard to any other change to retirement benefits (pension, retiree healthcare, and/or additional retirement contributions).

This agreement is considered part of the tentative agreement for a successor MOA. between the parties, and shall become effective only as part of the overall tentative agreement for a successor MOA, and when signed by all parties below and approved by the City Council. This agreement is effective only during the term of a successor MOA.

FOR THE CITY:

FOR THE EMPLOYEE ORGANIZATION:

Assistant to the City Manager, OER

Business Representative, OE#3

Date

SIDE LETTER AGREEMENT **BETWEEN**

THE CITY OF SAN JOSE

AND

THE INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL NO. 3 (OE#3)

City Medical Benefits Reopener

To the extent that they are a mandatory subject of bargaining and arise during the term of the successor Memorandum of Agreement (MOA) between the City of San Jose (City) and the International Union of Operating Engineers, Local No. 3 (OE#3), the parties agree to meet and confer over changes to City medical benefits, including but not limited to issues related to the Affordable Care Act and the medical and dental plans offered by Operating Engineers Local Union No. 3 Public and Miscellaneous Health & Welfare Trust Fund.

Either the City or OE#3 may provide notice to the other of its request to discuss changes to City medical benefits. The parties shall commence the discussions within ten (10) calendar days after the City or OE#3 receive notice from the other.

To the extent that any change to City medical benefits is a mandatory subject of bargaining, the parties shall meet and confer in good faith in an effort to reach a mutual agreement. If the parties reach impasse and no agreement is reached on those issues that are a mandatory subject of bargaining, either party may invoke the impasse procedures in accordance with the applicable provisions under the Employer-Employee Relations Resolution No. 39367 and/or the Meyers Milias Brown Act. The parties understand that this means that, notwithstanding any other provision in the successor MOA, the City will have the right to unilaterally implement in the event that no agreement is reached at the conclusion of negotiations and mandatory impasse procedures.

This Agreement is considered part of the tentative agreement for a successor MOA between the parties, and shall become effective only as part of the overall tentative agreement for a successor MOA, and when signed by all parties below and approved by the City Council. This agreement is effective only during the term of a successor MOA.

FOR THE CITY:

FOR THE EMPLOYEE ORGANIZATION:

Assistant to the City Manager, OER

Business Representative, OE#3

Date